

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3492 - SB 3384

March 1, 2010

SUMMARY OF BILL: Requires a service recipient receiving residential services funded by the Division of Intellectual Disabilities Services (DIDS) to give at least 90 days written notice before changing service providers not for cause. Prior to changing service providers for cause, a service recipient must provide written notice and give at least 30 days for the provider to cure the cause. If the provider needs more than 30 days to cure the cause, the service provider shall give the service recipient written notice within 20 days of having received the written notice for cause. If the cause is not cured within 30 days of the written notice of the cause or by the date that the service provider stated it would be cured, then the service recipient is free to change service providers. If cause is resulting in immediate and substantial deterioration of the service recipient, the service provider will be notified in writing. If the service provider fails to notify the service recipient within three days of having received the notice from the service recipient of how the cause has been addressed, then the service recipient may change service providers without further notice. Defines "cause" as the physical or behavioral health of the service recipient is deteriorating because the service provider is not providing the services at the level authorized by DIDS.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Should the provisions of the bill result in the state violating a service recipient’s free choice of provider as required pursuant to federal regulations, the Division of Intellectual Disabilities Services could be in jeopardy of losing some of its federal funding. The Division will receive approximately \$229,926,200 in federal funds for residential home- and community- based services.

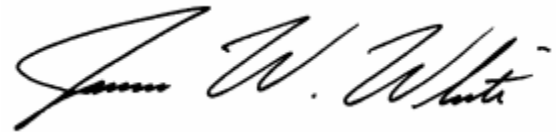
Assumptions:

- According to DIDS, pursuant to federal regulations, 42 C.F.R. 431.51, DIDS is required to give service recipients free choice of providers.
- If the provisions of the legislation resulting in the state being in violation of federal regulations, federal funding could be jeopardized.
- According to DIDS, there is approximately \$349,538,100 in annual residential home- and community-based services have been approved.

- DIDS receives federal reimbursement through the TennCare program for these services. The federal medical assistance percentage rate is approximately 65.78 percent for FY10-11 resulting in approximately \$229,926,162 ($\$349,538,100 \times 65.78\%$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml